

# **EXHIBIT F**

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*Counsel for the Reorganized Debtors*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA  
SOUTHERN DIVISION**

<b>IN RE:</b>	§	<b>Case No. 09-14814-LBR</b>
	§	<b>(Jointly Administered)</b>
<b>THE RHODES COMPANIES, LLC,</b>	§	
<b>aka "Rhodes Homes," et al.,</b>	§	<b>Chapter 11</b>
	§	
<b>Reorganized Debtors.<sup>1</sup></b>	§	
	§	
	§	

<sup>1</sup> The Reorganized Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: Heritage Land Company, LLC (2918); The Rhodes Companies, LLC (3060); Rhodes Ranch General Partnership (1760); Tick, LP (0707); Glynda, LP (5569); Chalkline, LP (0281); Batcave, LP (6837); Jackknife, LP (6189); Wallboard, LP (1467); Overflow, LP (9349); Rhodes Ranch Golf and Country Club (9730); Tuscany Acquisitions, LLC (0206); Tuscany Acquisitions II, LLC (8693); Tuscany Acquisitions III, LLC (9777); Tuscany Acquisitions IV, LLC (0509); Parcel 20 LLC (5534); Rhodes Design and Development Corp. (1963); C&J Holdings, Inc. (1315); Rhodes Realty, Inc. (0716); Jarupa LLC (4090); Elkhorn Investments, Inc. (6673); Rhodes Homes Arizona, LLC (7248); Rhodes Arizona Properties, LLC (8738); Tribes Holdings LLC (4347); Six Feathers Holdings, LLC (8451); Elkhorn Partners, A Nevada Limited Partnership (9654); Bravo Inc. (2642); Gung-Ho Concrete, LLC (6966); Geronimo Plumbing, LLC (6897); Apache Framing, LLC (6352); Tuscany Golf Country Club, LLC (7132); Pinnacle Grading, LLC (4838).

**Affects:**

- ☒ **All Debtors**  
☐ **Affects the following Debtor(s)**

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**DECLARATION OF JUSTIN BONO  
 IN SUPPORT OF REORGANIZED  
 DEBTORS' OBJECTION TO RHODES'  
 GREENWAY PARTNERS CLAIM AND  
 NOTICE OF AMENDMENT OF  
 SCHEDULES OF ASSETS AND  
 LIABILITIES**

I, Justin Bono, hereby declare and state as follows:

1. I am over the age of 18, am mentally competent, and if called upon to testify as to the statements made herein, could and would do so.

2. I am the Vice President of the Manager of the above-captioned reorganized Debtors (collectively, the "Reorganized Debtors").<sup>2</sup>

3. I submit this declaration in support of the Reorganized Debtors' Objection to Rhodes' Greenway Partners Claim and Notice of Amendment of Schedules of Assets and Liabilities (the "Objection") based upon my personal knowledge and my review of the relevant documents and information, except where such statements are noted as being made upon information and belief.

**The Scheduled Claims**

4. Based on my review of the Debtors' schedules of assets and liabilities (the "Schedules"), James Rhodes ("Rhodes") and certain of his affiliated entities are incorrectly scheduled as having a limited number of claims against the Debtors (the "Scheduled Claims") for which no proofs of claim were filed. The Scheduled Claims include the following:

<sup>2</sup> Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Objection.

Party Holding Claim	Entity Liable on Claim	Amount of Claim	Basis for Claim
Rhodes (See Rhodes Homes Arizona Docket No. 33, pg. 3)	Rhodes Homes Arizona	\$151,999.01	Compensation
Pinnacle Equipment (See Pinnacle Grading Docket No. 17, pg. 19)	Pinnacle Grading	\$557,302.09	Equipment Rental Payments
Sedora (See Heritage Land Company Docket No. 142, pg. 9)	Heritage Land Company	\$167,901.86	Litigation Expenses Arising out of Litigation with Deutsche Bank Securities, Inc.

### **Invalidity of the Scheduled Claims**

5. With the assistance of appropriate personnel of the Reorganized Debtors, I carefully reviewed and analyzed each of the Scheduled Claims described above. In connection with my review, I reviewed and analyzed the Debtors' books and records, the Schedules and available documentation pertaining to the Scheduled Claims. The basis for each of the Scheduled Claims was also investigated through discussions with appropriate personnel of the Reorganized Debtors and other relevant parties. My findings with respect to each of the Scheduled Claims are set forth below.

#### **A. The Scheduled Claim Against Rhodes Homes Arizona**

6. The Scheduled Claim against Rhodes Homes Arizona is based on compensation allegedly owed to Rhodes by Rhodes Homes Arizona. Based on my review of the available information and information received from the Debtors' third-party payroll services provider, Rhodes was never paid compensation from the accounts payable for Rhodes Homes Arizona, and Rhodes was not paid from the payroll of Rhodes Homes



1 Arizona at any point after January 2005.<sup>3</sup> Moreover, no documentation has been located  
2 to support Rhodes' Scheduled Claim for compensation from Rhodes Homes Arizona.  
3 Accordingly, I believe that Rhodes does not have a claim against Rhodes Homes Arizona  
4 for Compensation.  
5

6 **B. The Scheduled Claim Against Pinnacle Grading**

7 7. The Scheduled Claim against Pinnacle Grading is based on equipment rental  
8 payments allegedly owed to Pinnacle Equipment by Pinnacle Grading. Based on my  
9 review of the available information and discussions with relevant parties, Pinnacle  
10 Equipment obtained construction equipment and provided the equipment to Pinnacle  
11 Grading for use in connection with work being performed on the Pravada Project in  
12 Arizona. In connection with obtaining the equipment, Pinnacle Equipment entered into a  
13 security agreement and promissory note with Caterpillar Financial Services Corporation  
14 ("Caterpillar"). Based on the Debtors' books and records, Pinnacle Grading paid  
15 Caterpillar directly on the promissory note between Pinnacle Equipment and Caterpillar,  
16 potentially giving rise to a claim for overpayment by Pinnacle Grading against Pinnacle  
17 Equipment. Despite efforts to locate a rental agreement between Pinnacle Equipment and  
18 Pinnacle Grading, no such agreement has been located that requires Pinnacle Grading to  
19 make payments to Pinnacle Equipment, and relevant personnel of the Reorganized Debtors  
20 do not recall having viewed such an agreement in the past. In addition, Main Amundson  
21 and Associates, an outside accounting firm, was unable to locate a rental agreement  
22 between Pinnacle Equipment and Pinnacle Grading during its audit of the Debtors during  
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28 <sup>3</sup> Records for the period preceding January 2005 are unavailable.

1 the fourth quarter of 2008. In light of the foregoing, I do not believe that Pinnacle Grading  
 2 owes any rental payments to Pinnacle Equipment.

3 **C. The Scheduled Claim Against Heritage**

4  
 5 8. The Scheduled Claim against Heritage is based on defense costs related to  
 6 litigation initiated by Deutsche Bank Securities, Inc. against Rhodes, Sagebrush, Rhodes  
 7 Companies, Heritage, Rhodes Design and Development Corporation and Rhodes Ranch  
 8 General Partnership (collectively, the "Rhodes Defendants") related to a potential credit  
 9 facility. Stewart Occhipinti LLP ("Stewart Occhipinti") served as defense counsel for the  
 10 Rhodes Defendants. Invoices from Stewart Occhipinti were made out to "Rhodes  
 11 Homes," and such invoices were paid by either Sedora Holdings, LLC ("Sedora") or non-  
 12 Debtor, Sagebrush Enterprises, Inc. Based on my review of the available information,  
 13 Heritage paid approximately \$800,000 to settle the litigation, potentially giving rise,  
 14 subject to further investigation, to a claim by Heritage against Rhodes or Sedora. Heritage  
 15 is not, however, required to reimburse Sedora for defense costs related to the litigation by  
 16 an applicable agreement. Accordingly, I do not believe that Sedora has a claim against  
 17 Heritage for defense costs related to the litigation.  
 18  
 19

20 **Conclusion**

21 9. Based on the foregoing, I believe that each of the Scheduled Claims is  
 22 invalid, and each of the Scheduled Claims should be removed from the Schedules.

23 Executed this 19<sup>th</sup> day of July, 2011.

24  
 25  
 26 By:

Justin Bono / cc

Justin Bono